

**STATEMENT OF  
COMMISSIONER KATHLEEN Q. ABERNATHY**

*Re: Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket Nos. 01-338, 96-98 & 98-147, Order on Reconsideration (adopted Oct. 14, 2004).*

This Order represents an important step in the Commission's ongoing effort to encourage the deployment of next-generation broadband facilities to the mass market. In the Triennial Review Order, I strongly supported the Commission's decision to exempt fiber-to-the-home (FTTH) deployments from unbundling requirements. This relief was necessary to restore incentives to make substantial investments of capital, which come with no assurance of any near-term payoff. Because the factors supporting relief for FTTH are also applicable to fiber-to-the-curb (FTTC) deployments, I am pleased that we are now providing both architectural approaches the same degree of regulatory relief. In particular, FTTC requires massive capital expenditures, just as FTTH does, and unbundling significantly dampens investment incentives; and wireline carriers face substantial competition in the broadband market — particularly from cable operators — regardless of whether they deploy FTTH or FTTC. In light of these and other factors, I see no reason why our regulatory framework should favor one type of architecture over the other. Rather, deployment decisions should turn on business considerations.

As I noted in our recent Order extending FTTH relief to fiber loops serving predominantly residential multiple dwelling units, our deregulatory action is achieving its desired impact as carriers are accelerating plans to deploy fiber to the home. I am optimistic that this Order will further spur investment and, in turn, will prompt the delivery of exciting new broadband services to millions of consumers.